



ASX Announcement
12 October 2009
Poseidon-2 Exploration Well in WA-398-P
Progress Report No 1

Karoon Gas Australia Ltd advises that the Poseidon-2 exploration well was spudded at 03:45 hours (WST) on the 10 October 2009. After drilling a 36" hole, the 30" conductor casing was set and cemented at 576 mRT. As at 05:00 hours (WST) today, Poseidon-2 was drilling ahead at 1474 mRT in 17-1/2" hole.

The Transocean Legend semi-submersible rig is drilling the exploration well, which is operated by ConocoPhillips.

Poseidon-2 is located in WA-398-P, on the southern flank of the north-east trending structural high of the greater Poseidon structure. The objective of the well is to test the extent, presence and quality of reservoirs down-dip from Poseidon-1 where the Plover Formation is interpreted to thicken. The well has a planned total depth of approximately 5300 mRT.

As with the recent gas discovery well, Poseidon-1, Poseidon-2 is planned to be plugged and abandoned following final well evaluation and production testing if applicable.

Equity interests of the participants in WA-398-P are:

Karoon Gas (Browse Basin) Pty Ltd	40%
ConocoPhillips (Browse Basin) Pty Ltd	60%

Poseidon-2 Location:

Latitude: 13 deg 40' 07.13" S	Northing: 8 488 802 mN
Longitude: 122 deg 16' 32.25" E	Easting: 421 662 mE

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